

State of California

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Legislative Change No.**99-39**Bill Number: AB 1637Author: Rev. & Tax. Comm. Chapter Number: 99-930

Laws Affecting Franchise Tax Board:

Section 17039 of the Revenue and Taxation CodeDate Filed with the Secretary of the State: 10/10/1999

SUBJECT: Personal Exemption Credit and Land and Water Credit/Allows Credits to Reduce Specified Taxes Below the Tentative Minimum Tax

Assembly Bill 1637 (Assembly Committee On Revenue and Taxation), as enacted on October 10, 1999, made the following changes to California law:

Section 17039 of the Revenue and Taxation Code is amended.

This act made the following changes:

1. Eliminated the tentative minimum tax limitation on personal exemption credits by allowing the personal exemption credits to reduce regular tax below tentative minimum tax (TMT).
2. Deleted an obsolete refund provision relating to the renter's credit that is no longer necessary because the reinstated renter's credit, enacted by AB 2797 (Stats. 1998, Ch. 322), is not refundable.
3. Included a reference in Revenue and Taxation Code Section 17039 to Section 17053.30. This reference would have provided that a land and water conservation credit could reduce regular tax below TMT. However, SB 680, in which the land and water conservation credit was contained, was not passed by the Legislature. Thus, this provision has no impact.

This act is effective immediately and applies to taxable years beginning on or after January 1, 1999.

This act will not require any reports by the department to the Legislature.

Bureau Director

Johnnie Lou Rosas

Date

10/19/1999